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National Intelligence Daily Cable for Friday, 2 December 1977.

The NID Cable is for the purpose of informing senior US officials.

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Angola Italy Indonesia South Korea USSR

BRIEFS

BRAZIL: Presidential Succession

More Efficient Auto Engines

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overture for an overall settlement, presumably lest the chances

for even a separate agreement be lost.

25X1	Begin has acknowledged the need for Israel
	Begin seems deeply torn between adhering to his strongly held religious-political principles and seizing the historic opportunity that Sadat has offered him.
25X1	There is apparently a general consensus among Israeli leaders that an accommodation at least with Egypt is now possible. Dayan stated flatly in an interview on Wednesday that Sadat was ready for a separate peace if the other Arabs opposed a comprehensive settlement. General Gazit, Director of Israeli Military Intelligence whose views are widely shared by other senior officials, echoed this assessment in a briefing he gave foreign military attaches yesterday in Tel Aviv.
25X1	Gazit maintained that Sadat's visit to Jerusalem was motivated by the belief that Egypt has no military solution to the Arab-Israeli conflict either in the immediate future or over the longer term because the Middle East would soon become a "nuclear area"—thus implying that both Israel and the Arabs would have nuclear weapons. Gazit also said that Sadat faces serious economic and social problems at home, and lastly that he realized the only way he could break down the pyschological barriers to a settlement was to go to Jerusalem.
25X1	Gazit acknowledged that Sadat is not now interested in a bilateral agreement with Israel and that the negotiations in Cairo would have to deal with an overall settlement. He argued that Sadat, nevertheless, has no mandate to negotiate for the other Arabs and that Syria and the Palestinians have demonstrated that their desire for peace is insincere. As a result, Gazit maintained that Sadat could reach an agreement with Israel on the general terms of a comprehensive settlement, and unilaterally implement Egypt's part, leaving the other Arabs to follow suit at their discretion.
25X1	The Israelis obviously hope that Jordan's King Husayn will decide to join the negotiations at some point, helping to buttress Sadat's position in the Arab world and to isolate Syria. Both Gazit and Finance Minister Ehrlichthe leader of the Liberal faction of Likudnoted yesterday that Jordan is an

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important factor in the present situation. Indeed, the Israelis seem to find it incomprehensible that Jordan and Saudi Arabia have not supported Sadat more fully and openly against the Arab radicals.
ARAB STATES: Tripoli Meeting
The heads of state of the radical Arab nations and Palestinian leaders convened in Libya yesterday to denounce Egypts peace initiatives and immediately postponed their meeting until today. The Soviets continue to support a resumption of the Geneva conference and thus have not been outspoken in their support of the Tripoli conference.
The ostensible reason for the postponement was the delayed arrival of South Yemen's President; the real reason could simply be the continuing confusion that has surrounded arrangements for the summit from the beginning.
Already in Tripoli are Syrian President Asad, Algerian President Boumediene, Palestine Liberation Organization chairman Yasir Arafat, Palestinian rejectionists George Habbash and Ahmad Jabril, and an Iraqi delegation headed by Revolutionary Command Council member Taha Yasin Ramadhan.
The Syrian Deputy Chief of Mission in Moscow has told US officials that Soviet President Brezhnev, during his meeting with Syrian Foreign Minister Khaddam on Wednesday, gave Khaddam a message for the Tripoli gathering, expressing his personal hopes for its success. The Soviets allegedly regard the session as being necessary because of the bad effects of Egyptian President Sadat's visit to Israel and his call for a pre-Geneva conference in Cairo.
According to the Syrian diplomat, the Soviets do not agree with the Syrian view that Sadat's initiatives have inevitably postponed a reconvening of the Middle East peace conference at Geneva but do admit that its resumption has become much more difficult. Soviet media have not commented on the Tripoli meeting but have repeated Arab commentaries to emphasize the strong Arab opposition to Sadat's activity.

25X1	The Syrian diplomat said that Khaddam had expressed	
20/(1	concern to the Soviets that Iraq's call for a meeting in Baghdad	
	concern to the Soviets that Iraq's carr for a meeting in Baghada	
	might hamper the gathering in Tripoli, but the Soviets merely	,
	told Khaddam that they did not want that issue to worsen	
	Syrian-Iraqi relations. According to the Syrian, the Soviet	
	leaders pronounced themselves in favor of thy Tripoli meeting	•
	and did not commit the USSR for or against a conclave in Baghdad.	
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25X1	Tariq Aziz, a member of Iraq's ruling Revolutionary	
	Command Council, arrived in Moscow yesterday and presumably will	
	push for a Soviet endorsement of a Baghdad meeting as well as	25X1
	for greater Soviet support of the radical Arabs.	23/1
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FRANCE - WEST AFRICA: Military	
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//France apparently has used the cover of a suled military exercise in Gabon to station six Jaguar combat	t
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1	//The other four aircraft remained in Dakar, how-
a	ever, and were joined last weekend by two additional Jaguars, presumably from France.//
,	//These Jaguars are the only French combat aircraft in the area, but they give the French a significant military strike force for use against the Polisario.//
	//The French military attache in Nouakchott confirmed on 1 December that Jaguars would attack any Polisario forces that threatened the Frency community. He indicated the aircraft would continue to fly regular missions over Mauritania every few days. With their external fuel tanks, the aircraft can easily fly to all population centers in Mauritania where French nationals might be endangered by the Polisario. Aided by five Dakar-based reconnaissance aircraft, the Jaguars could play a major role in locating and blunting future large-scale Polisario raids.//
	//The French augmented their military garrison in Dakar early last month in response to the capture in late October of two French technicians. They now have more than 1,300 troops and some 15 military aircraft in the Dakar area.//
	//The French stepped up their military aid to Mauritania after the Polisario raid on Zouerat in May when six French citizens were abducted. In addition to military equipment, French advisers are aiding the Mauritanians in training and staff administration.//
	//In addition to advisory roles, the French apparently are providing direct military support to the Mauritanians. Even before the kidnapping of two French railway workers last month, French aircraft flew reconnaissance missions over northern Mauritania.
*	
ń	//Since the beginning of November, French aircraft based at Dakar have conducted daily reconnaissance flights, and

about 2,000 in late 1975 to roughly 16,000 today and are expected to reach 18,000 in the next few months. This rapid expansion has created a large, inexperienced army that sorely needs the training the French can offer.//
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needs the training the recommendation
USSR: Industrial Output Sluggish
Soviet industrial production in the first nine month
of 1977 continued to grow sluggishly, according to Soviet stat-
istics. The total annual increase in industrial production probably will fall below 5 percent for the second consecutive
year largely as a result of low productivity, rising costs,
and delays in bringing new capacity on stream.
Output of ferrous metals has stagnated at near-1976
levels because of inadequate investment in steel-making ra-
gilition and insufficient supplies of high quality raw materia.
A steady decline in the quality of Soviet iron ore has forced the diversion of investment funds to ore mining and ore bene-
ficiating projects. Tight supplies of iron ore have hampered
production of pig iron.

25X1	Energy production has been growing at declining rates	
	this year. The 3.6-percent growth in electric power is an unprecedented low. Growth rates for crude oil and natural gas, while in line with the current plan, are below the comparable period a year ago.	
25X1	The chemical industry, an area of prime growth, failed to meet the plan for sulfuric acid production. Production short-falls of such products as mineral fertilizer and plastics may occur because of delays in the introduction of new capacity.	
25X1	The growth of machinery output, which dipped below midyear rates, may fall even further by the end of the year if problems in producing ferrous metals continue. The 8-percent drop in diesel locomotive production and the downturn in freight car production could exacerbate the problems of an already overtaxed industrial supply network. Shortages of rolling stock have already hindered grain hauling and coal loading.	
25X1	Only production of consumer nondurables, buoyed by the nearly 7-percent rebound in the output of processed food, has shown significant improvement over last year. Total output of processed food is still only 3 percent above the 1975 level, however. Meat production is up nearly 13 percent, for example, but even if this rate were sustained through the rest of 1977, production would still be below that of 1975.	
25X1	Given the lackluster performance of the past two years, we do not believe that Soviet industry will achieve the 6.3-percent growth goal of the current five-year plan. Soviet industrial output would have to accelerate to 7.7 percent per year in the remaining three years of the plan in order to reach that goal.	25X1
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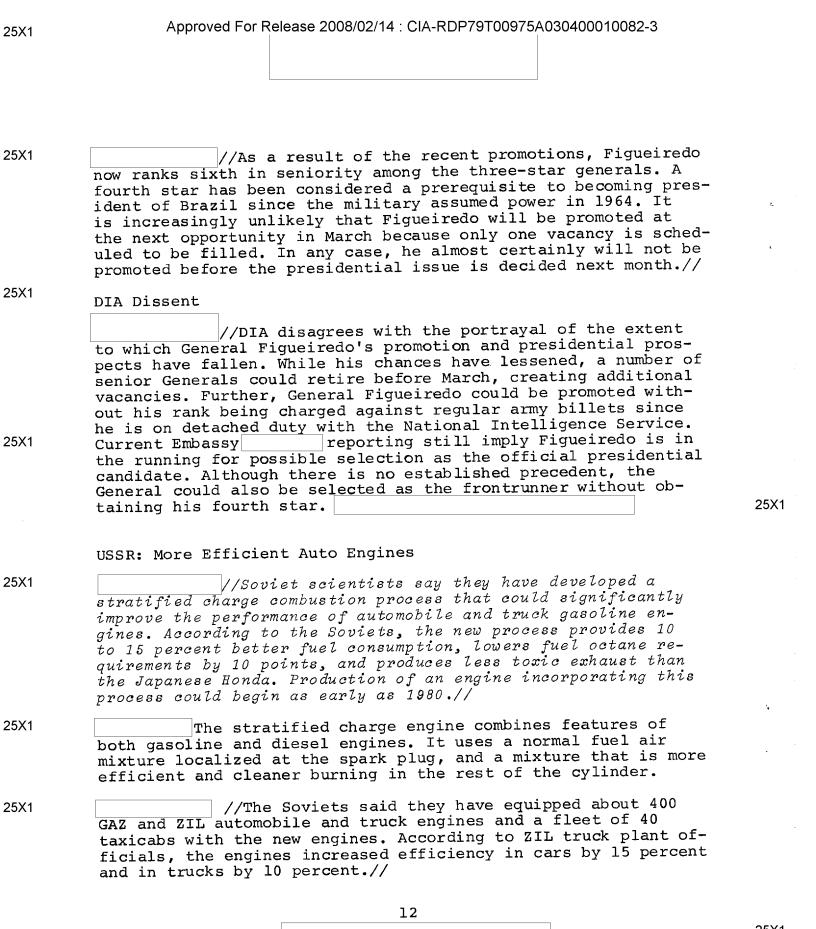


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//The Soviets appear eager to sell the technology in the US. Earlier this year they promised to provide an engine for testing in the US and expressed interest in cooperation in further development of the process. The Soviets want to perform additional tests and process patents before they export the engine.//

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## BRIEFS

Angola

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//Angola's ruling Popular Movement will convene its first party congress on Sunday. President Neto will probably use the occasion to transform the Movement into a Marxist-Leninist party--as FRELIMO did in Mozambique earlier this year. The one-week congress will also consider a three-year economic plan for the country; reorganization of the police and the armed forces; and resolutions establishing social, economic, and political guidelines.//

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Six hundred national delegates and guests are expected to attend the congres; about a third of the delegates will come from the armed forces and the police. The Angolans have also invited about 150 foreign guests.

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rally last week, the Angolan Defense Minister acknowledged that "certain people" would attempt to disrupt the proceedings, and urged public vigilance.

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At a public

Italy

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As many as 100,000 Italian metalworkers will converge on Rome today for a massive rally that is to be the centerpiece of a one-day strike. The rally is symptomatic of growing restiveness among rank-and-file workers who are unhappy both with the

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government for not doing more to improve their lot, and with their own leaders--particularly the Communists--for continuing to urge restraint on economic questions. Moreover, although the organizers have forsworn violence, they have invited Rome's students to participate, and far-leftists among the students hope to turn the rally toward violence. There is a strong possibility of clashes between student radicals and more moderate unionists, and also of random acts of violence.

## Indonesia

The Indonesian Government is proceeding with plans to release 10,000 "Class B" political detainees, most of whom have been in detention since the anti-Communist crackdown of 1965. The government has set 20 December as the date for formal release ceremonies in four locations. Foreign ambassadors will be allowed to attend the ceremony in Medan at which Admiral Sudomo, the chief of internal security, will preside. The detainees will be given the choice of returning to their home villages or of participating in the governments resettlement program; in either case, they will be subject to a probation period of one year. Most detainees will probably opt to return home.

The release will be the first stage in the timetable announced by President Suharto in December 1976, under which an additional 10,000 will be released in December 1978 and the remainder of the 27,542 "Class B" detainees in December 1979. About 2,000 Communists in "Class A" will be tried, reclassified, or kept under detention.

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## South Korea

Rumors of an impending cabinet reshuffle are circulating in Seoul. Some changes are likely this month, but the timing and other specifics probably are being tightly held by President Pak.

Cabinet changes are not likely to signify any major changes in policy. Since Kim Chong-pil stepped down as Prime Minister in December 1975, South Korean cabinet officers generally have been rather colorless administrators and technocrats. The cabinet has often been overshadowed by more influential figures on the presidential staffs and in the Korean Central Intelligence Agency.

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25X1	Even so, Pak doubtless hopes that some new faces	
	will help clear the decks for the new year and perhaps improve	
	the atmosphere for progress on such continuing problems as the	
•	Tongsun Park case and the continuing demands for the release of political prisoners at home.	25X1
*	USSR	
25X1	Dissident physicist Andrey Sakharov told Western re-	
	porters yesterday that he has been effectively barred from visiting the US as the guest of AFL-CIO President George Meany.	
	Sakharov said that because of his past access to state secrets	
	the Soviet Academy of Sciencesof which he is a memberhad	
i .	refused to give him the character reference necessary for an exit visa application. He accused the KGB of being behind the	
	move.	
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	Sakharov told the US Embassy on Monday that Soviet authorities had refused to accept his request to visit the US	
	but that they had left open the possibility if he received a	
i	properly worded, personal invitation.	
25X1	Sakharov probably realizes that his decision to speak	
	to Western newsmen on the latest development will result in sub-	
i	stantial Western publicity for his travel request and will	
	cement the negative Soviet position. There had been some specu- lation that because Sakharov has been barred from secret work	
1	for almost 10 years, this would no longer be used as an excuse	
!	to deny him foreign travel. Sakharov probably now sees no chance	
:	of visiting the US and has decided that publicity is his only recourse.	25 <b>X</b> 1
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